

Crawford Hoying

Bridge Park Development Agreement
Financial Framework of City Participation
Bridge Street District

Dublin City Council
July 13, 2015

Bridge Park: Development Agreements

Context

- Bridge Street District-Scioto River Corridor

Bridge Park Project

- Phase 1

Agreement(s)

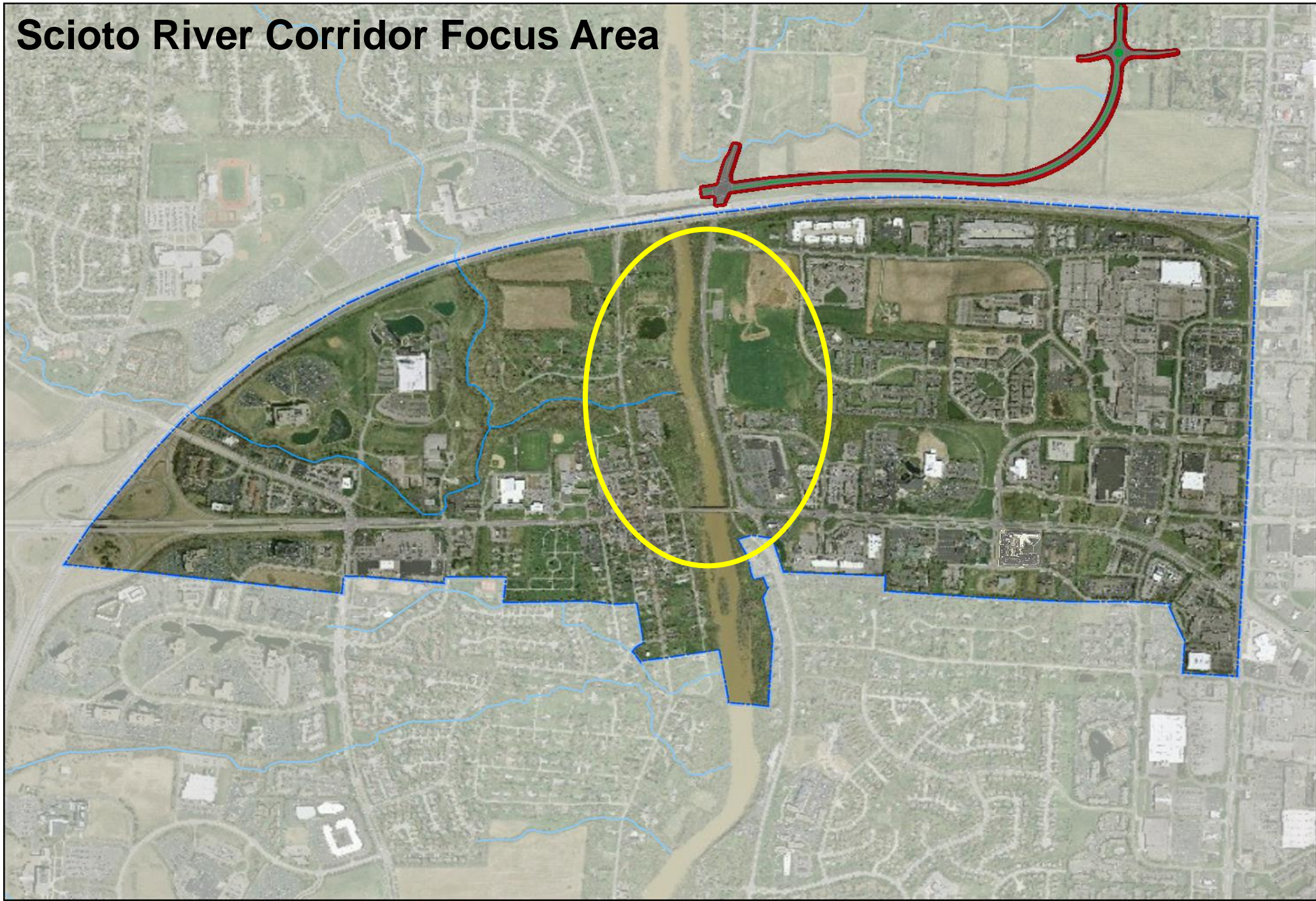
Financial Framework

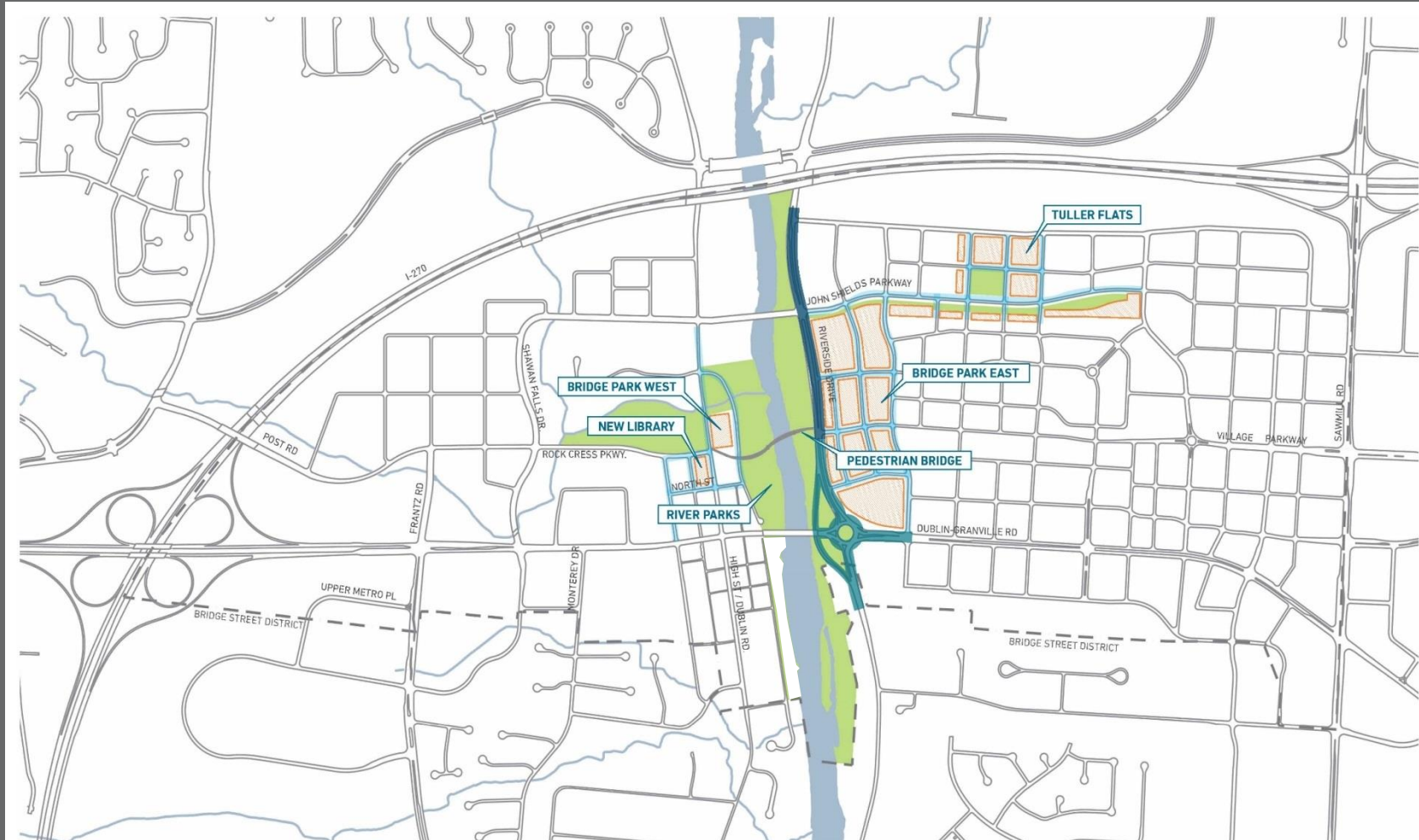
Recommendation

Presentation by Crawford Hoying

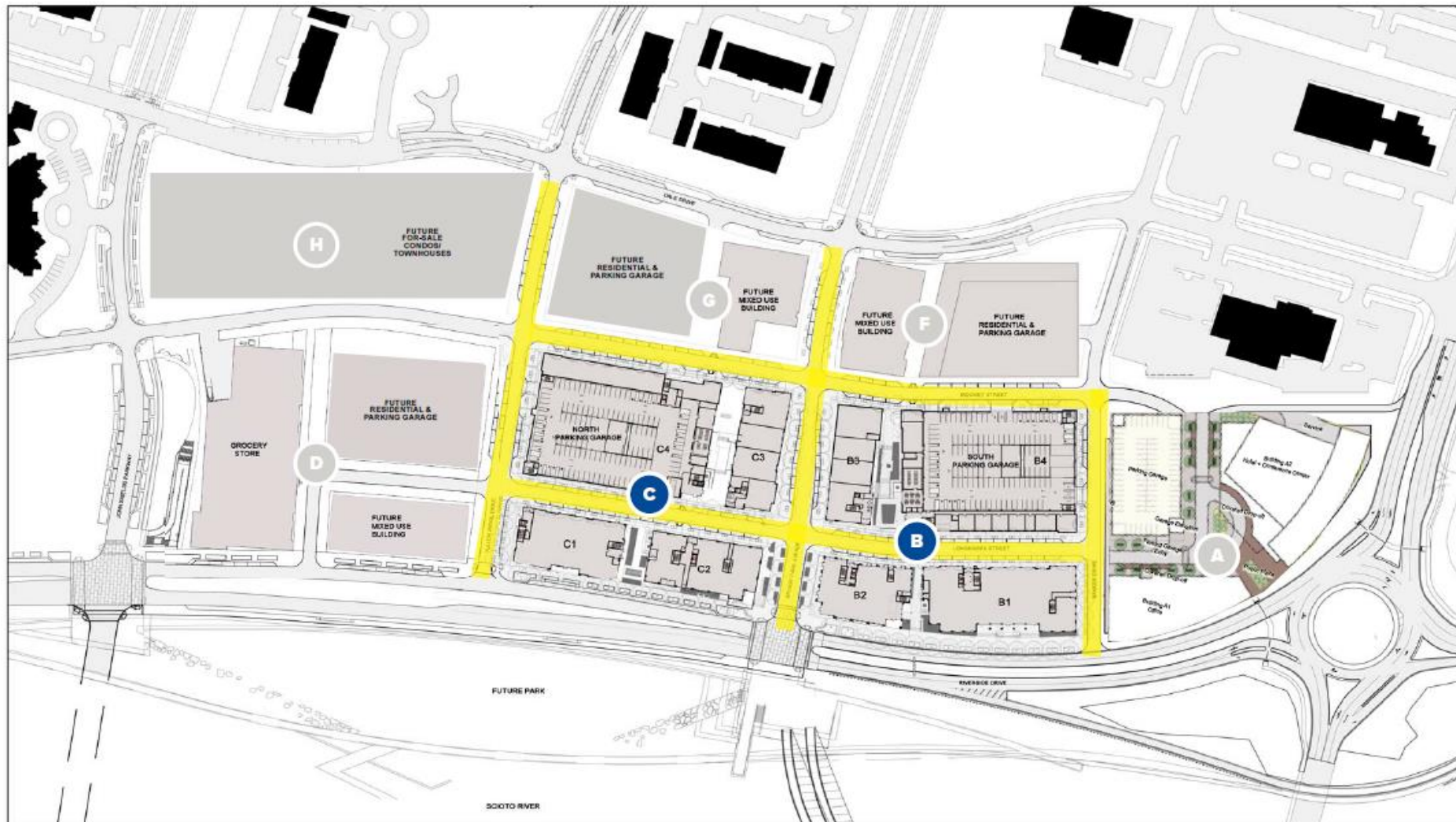


Scioto River Corridor Focus Area





Bridge Street | Public & Private Projects



BRIDGE PARK

DUBLIN, OH



CRAWFORD HOYING
development

BRIDGE PARK PHASE I (INCLUDES BRIDGE PARK WEST)

Summary Totals

Office	152,000 SF
Restaurant	96,000 SF
Retail	21,000 SF
Apartments	382 Units
For-Sale Condos	42 Units
Parking	1,949 Spaces

Total Private Cost \$155,000,000
(not including land)

C

July 2015 - October 2016

Office	91,000 SF
Retail	6,000 SF
Restaurant	41,000 SF
Apartments	154 Units
Parking	879 Spaces

Total private cost \$55,000,000
(Not including land)

B

October 2015 - March 2017

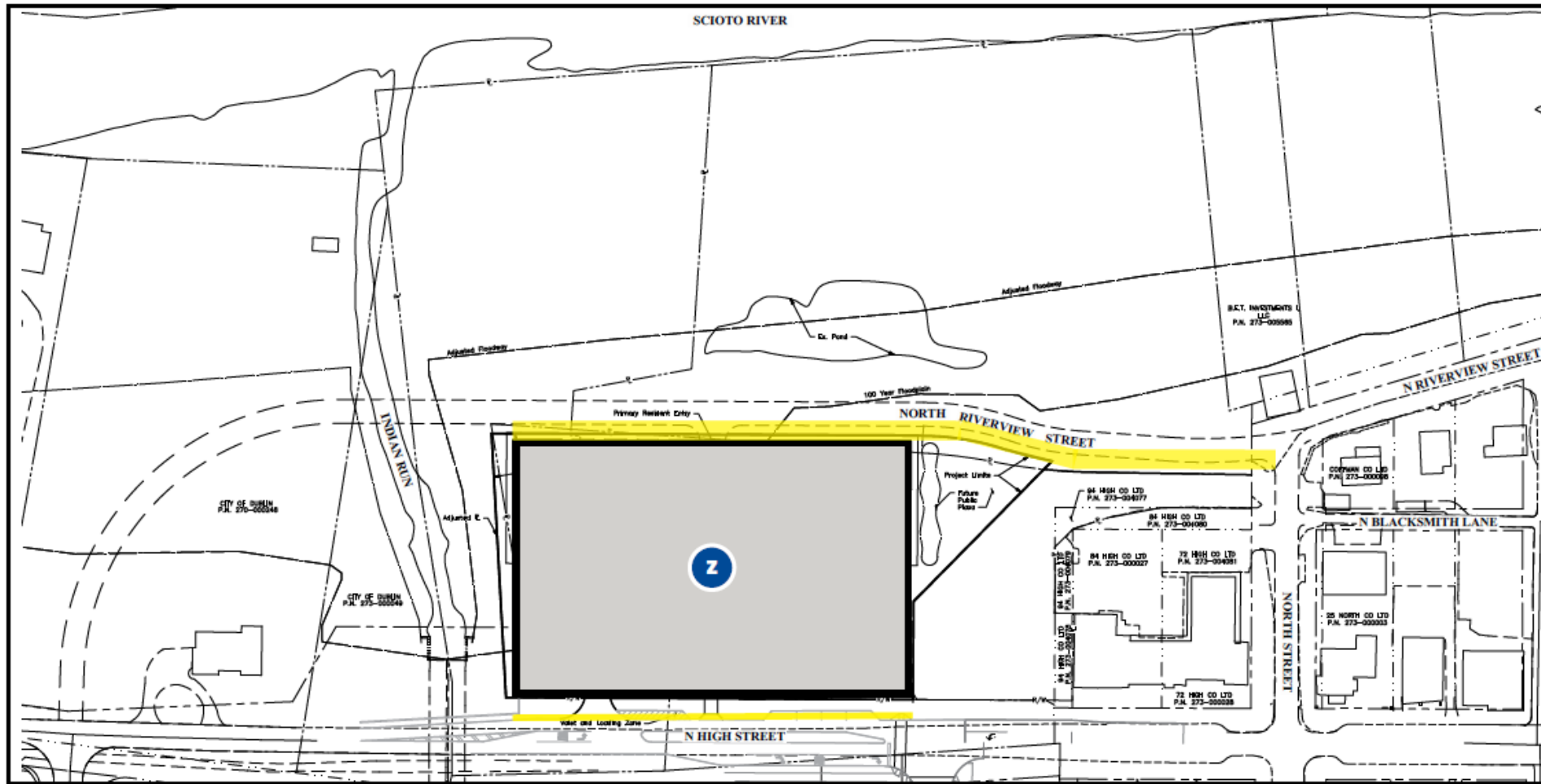
Office	47,000 SF
Retail	15,000 SF
Restaurant	40,000 SF
Apartments	228 Units
Parking	850 Spaces

Total private cost \$58,000,000
(Not including land)



Bridge Park East—Blocks “C” & “B”





Z

July 2015 - December 2016

Office	14,500 SF
Restaurant	14,500 SF
Residential	42 For-Sale Condominiums
Parking	220 Space Garage

Total private cost **\$42,000,000**
 (Not Including land)

Bridge Park West-Block “Z”



Development Agreement(s)

- Define the obligations of the parties in making the development happen
- Lays out the provisions for all of the real estate matters (exchanges, purchase options, etc.)
- Defines the public and private improvements and their implementation
- Provides the parameters and contingencies for use of all public financing tools (TIF, NCA, CRA)
- Establishes the performance parameters

**Of particular importance is the Financial Framework of the City's Participation



Bridge Park Private vs. Public Improvements

Private Improvements

- Over \$230 million for all phases
- Over \$116 million for Phase I (hard cost....used for tax valuation)
- Office, commercial, residential, retail, hotel, restaurant
- Developer is responsible for funding the cost to construct the private improvements

Public Improvements

- Seven (7) Parking Garages
- Events Center
- Public Roadways



Proposed Financing of Bridge Park Public Improvements

Two Types of Tax Increment Financing (TIF)

Incentive District – 5709.40(C)

Covers entire development area

Will initially apply to owner-occupied properties (Block Z, Block H)

Allows for future condo conversions

Ordinance 45-15 - Incentive District TIF Ordinance is being considered for first reading this evening

Commercial TIF – 5709.41

Applies to all commercial properties

Commercial TIF Ordinances will be brought forward as land exchanges occur (City must hold title to the property temporarily)



Proposed Financing of Bridge Park Public Improvements

Property Tax Abatement (100% for 15-years) limited to owner-occupied properties

Block Z (West Side Condos – Phase 1)

Block H (East Side Townhomes – Future Phase)

Exhibit 4 – Community Reinvestment Area Agreement is included for consideration with the Development Agreement

NCA Charge

Assessed on all properties; credit will be provided for service payments paid

For abated properties, the NCA charge will 'float' with the property value

Acts as a "backstop" for future revenue shortfalls or needs for all other blocks, if required



Summary of Recommended Proposal

City Finances 100% of Costs of Block B & C Parking Garages and Phase 1 Roadway Improvements

- Eliminates all refinancing risk for City with Phase 1
 - Long term rate (30 years) locked in today at a lower rate given the City's credit rating
- Eliminates City debt financing for future phases
- Minimum service payment guarantee (Blocks B & C) alone allows City full recovery of parking garage debt service and most roadway costs

Developer Finances 100% of Phase 2 & 3 Roadway Improvements and remaining Community Facilities



City's Responsibility for Public Improvements

Finance the following Parking Facilities (owned by CFCFA)

Parking Garage B - \$16 million

(851 total spaces; 353 reserved; 498 public)

Parking Garage C - \$16 million

(869 total spaces; 335 reserved; 534 public)

Finance the Phase 1 Roadway Improvements

Phase 1A - \$7.7 million

Bridge Park Avenue, Tuller Ridge Drive, and Mooney and Longshore Streets (between Tuller Ridge Drive and Bridge Park Avenue), North Riverview Street, portion of North High Street

Phase 1B - \$3.4 million

Mooney and Longshore Streets (between Bridge Park Avenue and Banker Drive), and Banker Drive (between Riverside Drive and Mooney Street)



Sources of Funding for City's Public Improvements

City Issued Debt (Proceeds)

TOTAL INVESTMENT \$43.1 million

Funding for City Debt

All TIF revenue (service payments) generated by committed level of private development within Blocks B & C as well as the H2/Salvis Block (Cooker site) will be directed towards payment of debt service associated with the garages and roadways

The limiting of the property tax abatement to owner-occupied only as well as the City receiving all the Block B & C TIF revenues creates 'upside' potential with increases in tax valuation.

Annual Minimum Service Payment Guarantee on Blocks B & C

Calendar year 2018 - \$1,887,978

Calendar years 2019 – 2046 - \$2,432,351

Calendar year 2047 - \$2,333,630

TOTAL \$72,327,436



Sources of Funding for City's Public Improvements

Minimum Service Payment Guarantee on Blocks B & C	\$72.3 million
Anticipated Garage Debt (Principal & Interest)	\$62.3 million
Excess from MSP on Blocks B & C	\$10.0 million
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Anticipated Roadway Debt (Principal & Interest)	\$15.7 million
Excess from MSP on Blocks B & C	\$10.0 million
TIF Revenues from H2/Salvi's Block (Cooker Site)	\$3.7 – 7.0 million

*Assuming no increase in valuation, the TIF revenues (backed by a MSP guarantee) from Blocks B & C and the H2/Salvi's Block are anticipated to fund the City's investment in the public improvements



Bridge Park Development Agreement

Developer's Responsibility for Future Public Improvements

Finance the following Community Facilities

Parking Garage A - \$9,000,000

Parking Garage G - \$7,880,000

Parking Garage D - \$10,360,000

Parking Garage Z - \$10,500,000

Parking Garage F - \$10,730,000

Events Center - \$6,500,000

Finance the Remaining Roadway Improvements

Phase 2 - \$2,900,000

Banker Drive (Mooney Street to Dale Drive), Mooney Street (Banker Drive to 161) and Longshore Street (Banker Drive to Mooney Street)

Phase 3 - \$2,600,000

Mooney Street (Tuller Ridge Drive to John Shields Parkway) and Longshore Street (Tuller Ridge Drive to Riverside Drive)

TOTAL INVESTMENT \$60.47 million (excluding private development)



Sources of Funding for Developer's Public Improvements

Developer Expenses

Parking Garages (A, D, F, G, Z, and Events Center) - \$54,970,000

Phase 2 Roadway Improvements - \$2,900,000

Phase 3 Roadway Improvements - \$2,600,000

Funding for Developer Expenses

TIF revenue (service payments) generated on all commercial properties in Blocks other than B & C and Salvi's site

NCA Charge – Owner-occupied properties; backstop on commercial properties

NCA Bed Tax Revenue (Separate from City's bed tax)

Annual Bed Tax Grant (equal to 25% of Block A hotel and Salvi's site hotel)

Private Sources



Incentive Contingencies

City's obligation to provide the incentives for each Block is outlined in Section 10 and includes the following:

- Developer providing the city proof of funding for the public and private improvements on each block:
 - Fully executed bond documents for the CFCFA debt providing bond proceeds sufficient to pay all public improvements costs
 - Cooperative Agreement for the OWDA loan, to the extent it is needed to fund the Community Facilities on the Block
 - Evidence that the equity investment has been funded for the private improvements
 - Loan documents for the commercial costs of the Block



Incentive Contingencies

- Purchase option which provides the City the option to purchase any or all Blocks if the development of those Blocks does not achieve certain milestones
- Completion Guarantee for Phase 1 (Blocks B, C and Z) by the Developer and principals of the Developer – guarantees completion of no less than the commercial improvements and community facilities on the Block as well as the corresponding roadway improvements
- Public parking covenant – Proves that all parking spaces in the parking facilities, except those reserved, shall be held open to the public and may be subject to parking charges



Ancillary Agreements (Submitted with the Development Agreement)

Infrastructure Agreement (Exhibit 2)

- Parties : City, Developer
- Developer will design, construct, and fund the roadway improvements (all phases)
*Note: the City will fund Parking Garages B & C as well as the Phase 1A and 1B roadway network
- Provides for the conditions by which the roadway improvements will be deemed complete; the conditions for acceptance of the roadway improvements by the City
- Provides for the manner in which the Developer will be reimbursed for the cost of the roadway improvements



Ancillary Agreements (Submitted with the Development Agreement)

Service Agreement and Agreement as to Imposition of Continuing Priority Lien (Exhibit 3)

- Parties: City, Developer, Property Owners
- Provides for the collection of the statutory service payments and minimum service payments from the property owners



Ancillary Agreements (Submitted with the Development Agreement)

Community Reinvestment Area (CRA) Agreement (Exhibit 4)

- Parties: City, Developer, Property Owners
- Will provide property owners with a 100% real property tax exemption for 15-years on the owner-occupied properties
- Developer will be required to make approximately \$224 million in private improvements within the CRA area (hard costs)
- Developer estimates there will be approximately 1,700 new FTE by 2022 (280 FTEs per year); estimated payroll of \$14 million per year



Ancillary Agreements (Submitted with the Development Agreement)

Tax Increment Financing and Cooperative Agreement (Exhibit 5)

- Parties: City, Columbus-Franklin County Finance Authority (CFCFA)
- Provides that the CFCFA will finance the Community Facilities and Roadways not otherwise financed by the City
- City will transfer assigned payments to the CFCFA (Service Payments, NCA Revenues for all Blocks other than B & C and Salvi's) to pay the debt

Option to Purchase Real Estate (Exhibit F to the Development Agreement)

- Parties: City, Developer
- Provides the City with the option to purchase any or all blocks where the Developer has not performed as per the agreement



Recommendation

Approval of the Development Agreement on August 10 as an Emergency based on the following City benefits:

- Catalytic nature of Phase 1 – Developer guarantees development of Blocks B, C, Z and H2 Hotel (\$155 million of new private development in BSD)
- City receives guaranteed payments from Blocks B & C of \$10 million in excess of debt service on garage bonds; revenue from H2 hotel to pay for roadways
- Developer responsible for financing 100% of future phases – no City refinancing risk for any phase; no City financial obligation
- 1700 projected new or retained jobs – estimated annual payroll of \$84 million at build out
- No commercial abatement – provides City upside as commercial tax value grows



Recommendation

July 13, 2015

- First reading, public presentation of Development Agreement
- First reading of Incentive District 5709.40(C) – Residential TIF

August 10, 2015

- Second reading of Development Agreement; Passage as an Emergency
- Second reading of Incentive District 5709.40(C) – Residential TIF
- First reading of Commercial TIF 5709.41

August 24, 2015

- Second reading of Commercial TIF 5709.41

Future Council Meeting (TBD)

- Bond Ordinances



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Questions/Comments

